LETTER NO. L-42-96



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ROBERT J. PELLATT COMMISSION SECRETARY

VIA FACSIMILE

October 4, 1996

Mr. Greg Sunell Operations Manager Yoho Power Limited #800 - 1188 West Georgia Street Vancouver, B.C. V6E 4A2

Dear Mr. Sunell:

Re: Yoho Power Ltd. and British Columbia Hydro and Power Authority <u>Grid Interconnection at Field, B.C. & Sale of Utility Assets</u>

Further to your September 20, 1996 letter advising the Commission that Yoho will cease utility operations at Field, B.C. we wish to comment as follows.

Yoho must first make application to the Commission for approval to cease utility operations pursuant to Sections 47 and 59 of the Utilities Commission Act, which read as follows:

Section 47

"A public utility that has been granted a certificate of public convenience and necessity or a franchise, or that has been deemed to have been granted a certificate of public convenience and necessity and has begun any operation for which the certificate or franchise is necessary, or in respect of which the certificate is deemed to have been granted shall not cease the operation or a part of it without first obtaining the permission of the commission."

Section 59

(1) Except for a disposition of its property in the ordinary course of business, a public utility shall not, without first obtaining the commission's approval, dispose of or encumber the whole or a part of its property, franchises, licences, permits, concessions, privileges or rights, or by any means, direct or indirect, merge, amalgamate or consolidate in whole or in part its property, franchises, licences, permits, concessions, privileges or rights, or by any means, direct or indirect, merge, amalgamate or consolidate in whole or in part its property, franchises, licences, permits, concessions, privileges or rights with those of another person.

(2) The commission may give its approval under this section subject to conditions and requirements considered necessary or desirable in the public interest.

Consistent with the above-noted sections of the Act, we ask that Yoho apply to the Commission for approval to cease operations and dispose of its assets.

The Commission also requires that Yoho inform all of its customers of the application to cease operations and connection of the electrical system with B.C. Hydro's grid.

Under separate cover, the Commission has asked B.C. Hydro to apply for approval to connect and commencing charging Yoho customers.

Commission staff would like to meet with Yoho and B.C. Hydro staff in order to discuss the proposed applications well in advance of connection. Please contact Mr. Barry McKinlay, Manager, Rates and Finance - Electrical, at 660-4736 to confirm such arrangements.

Yours truly,

Robert J. Pellatt

RJP/mmc

cc: Mr. D.A. Harrison Senior Vice President and Chief Financial Officer British Columbia Hydro and Power Authority